

Minnesota Valley Regional Rail Authority



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March 10, 2010

Congressman Collin Peterson
2211 Rayburn HOB
Washington, DC 20515

RE: 2011 Federal Appropriations request – Minnesota Valley Regional Rail Authority, MN – \$10M

Dear Congressman Peterson:

On behalf of the Minnesota Valley Regional Rail Authority, we want to "thank you" for your continued interest and support of our rail line and its economic impact to south central and southwest Minnesota and the rest of the USA. We refer to our line as the "Minnesota River Valley Ruralplex Renewable Energy Transportation Corridor" as its presence allows for future opportunities to happen along our line that would not exist without this mode of transportation.

Our request for 2011 consideration is for \$10M. We currently have been included in the 2010 State Bonding bill for \$5M for continued rehabilitation of our line. This funding will be used to provide the matching funds for our 2011 Federal funding appropriations request. You will find attached with this letter an updated map on the progress of our project to date and a copy of a report we recently commissioned the University of Minnesota Extension serviced to complete for us.

In December of 2009 the Rail Authority received an Economic Contribution report which they commissioned the University of Minnesota Extension Service to complete. The report validates through a third party some of the exact questions that needed documentation as to why this rehabilitation project is important. The full report is attached for your review. Here is an excerpt from the summary report:

Our 2009 Rail study found out the following information:

- Operations of the MVRRA Rail line contributed \$3.2 million in output, 21 full and part-time jobs, and \$1.4 million in labor income in the study area economy in 2008.
- Together, shippers on the railroad produced, transported and/or wholesale \$1.3 billion worth of goods and services in 2008.

Serving the communities and counties of Carver, Sibley, Renville,
Redwood, and Yellow Medicine in Minnesota

- Goods shipped on the railroad contributed \$302 million in output, 671 full- and part-time jobs, and \$28 million in labor income to the study area economy in 2008.
- Without the railroad, shipper revenues and profits would decline. Shipper revenues would decrease by at least \$4.9 million. A conservative estimate indicates shipper profits would decline by \$3.5 million per year.
- Increased speed on the rail would lead to increased profitability and competitiveness of the current shippers. At least one shipper would consider expanding and/or acquiring another business. We know another shipper is currently looking for land for a new location with more space to relocate his business to with rail access.

MVRRRA has made their own financial commitment initially to this project and continues to receive both Federal and State of Minnesota funding to make the much needed improvements to this publicly-owned rail line which is owned by the taxpayers. The Minnesota Valley Regional Rail Coalition was formed in August of 2008 as a grassroots support group of businesses and community leaders who believe in the importance and significance of this rehabilitation project for community vitality.

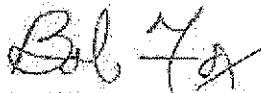
The 2002-2006 funding we have received allowed for our line to receive the much needed improvements to get it up and running at 7 mph safely, most of the time. The 2006-2009 bonding dollars along with the Federal funding have allowed us to begin the process of replacing the entire 1920 85 lb rail with 115 lb rail and new ties and ballast. This increased the safety of transporting cars, and increasing speeds to 25 mph.

In the future a project is on the drawing board for the Minnesota Valley History Learning Center to be located at Morton, Minnesota. The rail is very important for this project as it will provide for vintage passenger rail service to bring visitors from the metro area out for a day, weekend, or week, to visit, bike and hike, and learn about the unique geological, historical, and recreational opportunities in this part of Minnesota that go untapped. The oldest rock outcroppings in the world are located right along our line.

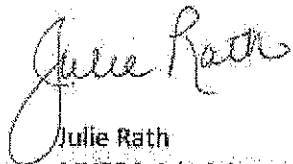
Our matching funds for this request are under consideration at this time with the Minnesota Legislature as they deliberate on the 2010 Bonding Bill. Our request is in both the House and Senate for \$6.5 Million. We appreciate the time your staff has taken to learn about the importance of our line and the time you have taken to attend our joint meetings with the Coalition.

We are very appreciative of the federal funding we have received and your support of our project requests through the efforts of our Minnesota Congressional delegation and Senators.

Sincerely,



Bob Fox
Chair MVRRRA



Julie Rath
MVRRRA Administrator

"Our country's future prosperity depends on its having an efficient and well-maintained rail system." –
Warren Buffet